

Message Text

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PAGE 01 TUNIS 01337 221634Z
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 EB-08 DOE-11 SOE-02 XMB-04
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R 221515Z FEB 78
FM AMEMBASSY TUNIS
TO SECSTATE WASHDC 077
INFO USDOC WASHDC
AMEMBASSY ALGIERS
AMEMBASSY ATHENS
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY JIDDA
AMEMBASSY ROME
AMEMBASSY TRIPOLI

UNCLAS TUNIS 1337

DEPT PASS EXIMBANK, COMMERCE AND ENERGY

ATHENS FOR RTDO

E.O.11652: NA
TAGS: BTIO BENC ENRG TS
SUBJ: MISKAR OFFSHORE GAS PROJECT: STATUS REPORT

REF: TUNIS 497, TUNIS 452, 77 TUNIS 9037, 77 TUNIS 841

1. KEMAL REKIK, PRESIDENT-DESIGNATE OF GOT CORPORATION
TO DEVELOP MISKAR NATURAL GAS, PROVIDED E/C
COUSELOR WITH UPDATE ON STATUS OF PROJECT. REKIK
ACKNOWLEDGED THAT, WITH REVIEW OF PROJECT BY NEW
MINISTER OF INDUSTRY, MINES AND ENERGY SFAR, THERE
WERE RUMORS OF POSSIBLE DELAY IN IMPLEMENTATION OF
PROJECT. HE SAID, HOWEVER, THAT OFFICIAL ANNOUNCE-
MENT NEXT MONTH FO FORMAL INCORPORATION OF "SOCIETE
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MISKAR" SHOULD PUT END TO THESE RUMORS. REKIK INSIS-
TED PROJECT WAS MOVING AHEAD AND STILL WOULD BE ON
STREAM IN 1981.

2. IN RESPECT TO TIMETABLES FOR FURTHER TENDERS,
REKIK SAID THREE MAJOR CALLS FOR BIDS WOULD BE MADE
IN LATE FEBRUARY OR EARLY MARCH. THESE WOULD BE (A)

OFFSHORE PIPELAYING; (B) FINAL TENDER FOR PLATFORM CONSTRUCTION AND INSTALLATION AWARDS IF THIS APPEARS MORE ADVANTAGEOUS; AND (C) "COMPACT RIG" PACKAGE FOR DRILLING OF WELLS. MISKAR LIKELY TO SEEK QUOTES BOTH FOR LEASE AND FOR OUTRIGHT PURCHASE. IN EITHER EVENT, SUPPLIER WOULD BE EXPECTED TO PROVIDE SPECIALIZED SERVICE PERSONNEL FOR NECESSARY PERIOD--4 OR 5 YEARS--TO COMPLETE APPROXIMATELY 20 WELLS. REKIK NOTED THAT, IN GENERAL, CALLS FOR TENDERS WILL SPECIFY FIXED PRICE BIDS.

3. REKIK SAID CALL FOR TENDERS FOR ONSHORE GAS TREATMENT PLANT IS NOT YET READY; IT CAN BE EXPECTED BY LATE MAY OR EARLY JUNE.

4. IN RESPECT TO PREVIOUSLY ISSUED CALLS FOR BIDS, REKIK SAID ABOUT 20 FIRMS HAVE BID ON THE OFFSHORE MANAGEMENT CONTRACT OF 40 FIRMS WHICH PURCHASED DOCUMENTS. HE SAID EVALUATION OF OFFERS WILL SOON MOVE FROM TECHNICAL TO COMMERCIAL PHASE, WITH DECISION IN MARCH.(WHILE REASSURING E/C COUNSELOR THAT PROSPECTIVE NAMING OF ELF-AQUITAINE MAN, G. GAINETTE, AS PROJECT MANAGER WOULD NOT IMPLY ANY PRO-FRENCH BIAS IN PROCUREMENT, REKIK ACKNOWLEDGED THAT ADEQUATE FRENCH LANGUAGE SKILLS WOULD BE NEEDED BY OFFSHORE MANAGEMENT FIRM.)
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5. DISCUSSING FINANCING, REKIK SIAD THAT WORLD BANK TEAM HAD JUST DEPARTED TUNISIA AND NEGOTIATIONS SHOULD GET UNDERWAY BY EARLY MAY WITH VIEW TO PROBABLE IBRD PARTICIPATION OF \$41 MILLION (10 PERCENT OF PROJECT COST). HE SIAD ARAB COMPANY FOR PETROLEUM INVESTMENT DEFINITELY IS INTERESTED IN PROVIDING, ON ADVANTAGEOUS COMMERCIAL TERMS, SUBSTANTIAL PORTION OF 100 TO 150 MILLION DOLLARS REQUIRED TO SUPPLEMENT ADDITIONAL GOT INVESTMENT (50 MILLION DINARS), IBRD AND SUPPLIER CREDITS. GOT HHAS YET DTQWBED WHETHER OR WHICH FIRM TO EMPLOY AS FINANCIAL CONSULTANTS.

6. DISCUSSING POSSIBLE EXPORT IMPORT BANK FUNDING, REKIK SIAD HIS INCLINATION WS NOT TO CONTACT EXIM DIRECTLY UNTIL FIRST AMERICAN BIDDER COMES FORTH WITH A PROPOSAL INCLUDING EXIM FINANCING. AT THAT TIME, MISKAR MANAGEMENT WOULD INTEND TO DISCUSS WITH EXIM POSSIBLE ADVANTAGES OF BROADER COMMITMENT TO COVER ADDITIONAL U.S. SOURCED PURCHASES.

7. FOR EXIMBANK: REKIK ASKED ECONOMIC COUNSELOR
TO CONFIRM WITH EXIM IF LATTER SAW ANY DISADVANTAGE
IN DEFERRING DISCUSSIONS UNTIL CONCRETE CASE WAS
RAISED BY U.S. SUPP

LIER. ALSO IN RESPECT OF MISKAR,
E/C COUNSELOR RECENTLY QUIZZED BY LOCAL DIRECTOR OF
ELF-AQUITAINE (MISKAR PARTNER) AS TO BEST TERMS EXIM
ABLE TO EXTEND AND WHETHER (A) INVOICES USUALLY HAD
TO BE PAID BY BORROWERS SUBJECT TO EXIM REIMBURSE-
MENT, AND (B) EXIM RULES BARRED FINANCING FOR
SERVICE WORK BY U.S. ONED BARGES FLYING FLAGS OF
CONVENIENCE. E/C COUNSELOR SAID HE WAS NOT AWARE OF
SUCH PROBLEMS BUT WOULD CHECK. ADVISE OF EXIMBANK
WOULD BE APPRECIATED
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Message Attributes

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